



State of Arizona
Department of Education

Tom Horne
Superintendent of Public Instruction

School Finance
1535 West Jefferson, Bin 13
Phoenix, AZ 85007
Phone: 602-542-5695
Fax: 602-542-3099

School Finance Advisory Committee
Fiscal Year 2007

Monday, April 9, 2007

Logistics

Meeting Time

Please plan for a punctual arrival so the meeting can begin on time.

Meeting: 1:00 p.m. – 4:00 p.m.

Meeting Location

**Arizona State Capitol
Executive Tower Building
1700 West Washington
2nd Floor Conference Room
Phoenix, AZ 85007**

ADE Contact Info

Jill Heikkila
SFAC Project Coordinator
1535 West Jefferson, Bin 13
Phoenix, AZ 85007
Direct: 602.542.8248
Main: 602.542.5695
Fax: 602.542.3099
jheikki@azed.gov





School Finance Unit
Arizona Department of Education
1535 W. Jefferson, BIN 13, Phoenix, AZ 85007
Phone: 602-542-5695 Fax: 602-542-3099



School Finance Advisory Committee
Fiscal Year 2007

Meeting Agenda

General		Start Time	Stop Time
Date	Monday, April 9, 2007	1:00 pm	4:00 pm
Location	Arizona State Capitol, Executive Tower Building, 1700 West Washington, 2 nd Floor Conference Room, Phoenix, AZ 85007		

Members			ADE Staff
Mr. Gary Bae	Dr. Gaye Leo	Mr. Michael D. Reed	Bonnie Betz
Ms. Patricia Beatty	Ms. Rita Leyva	Mr. George Ritchie	Bob Dohm
Mrs. Lana E. Berry	Mr. Scott Little	Mrs. Adrienne E. Sanchez	Teddy Dumlao
Mr. Daniel D. Bigler, CPA	Ms. Karen Mejia	Dr. Elizabeth M. Sanders	Harold Frederick
Mr. Mark E. Busch	Mrs. Lucia Marrufo	Mrs. Vickie L. Simmons, CPA	Lyle Friesen
Ms. Marcie K. Celaya	Mr. Brian L. Mee	Dr. Kenneth A. Smith	Dolores Gerritse
Mr. Paul Christensen	Ms. Montie Morris	Mr. Fred A. Stone III	Art Harding
Mr. Kent DeYoung	Ms. Linda F. Munk, M.Ed	Mr. Roger Studley	Art Heikkila
Ms. Lori Garvey	Mr. Quincy Natay, MBA	Mrs. Brenda Thomas	Jill Heikkila
Ms. Mary F. Gifford	Ms. Tina M. Norton	Mrs. Rose Whelihan	Vicki Salazar
Ms. Karen L. Havird	Mrs. Norma Pacheco	Mrs. K. Raechel Whitmer	Philip G. Williams
Mr. Ken Hicks	Mr. Kevin E. Price	Ms. Sandy Wilkins	
Ms. Michele Kaye	Mrs. Linda A. Proctor-Downing	Mr. George Zeigler	

Agenda
(Lyle Friesen) Review/Approval of February 2007 Minutes (handout)
(Lisa Maxwell) Speaker-School Record Retention (handout)
(Bonnie Betz) 12 vs. 10 APOR Payments – How much does the state gain by not making APOR payments in August in November
(Bonnie Betz) Dollar figure on removing absence approval
(Lyle Friesen) December budget revisions technical correction of <\$1000
(Karen Havird) Request for revised Student Enrollment and Withdrawal forms
(Karen Havird) Budget letters from ADE SAIS Accuracy and timelines
(Rose Whelihan) SDDI/SAIS downtime
Call to the Audience
Adjournment

Next Meeting: Monday, June 11, 2007
1:00 – 4:00 pm

Location: Arizona State Capitol
Executive Tower Building
2nd Floor Conference Room
1700 West Washington
Phoenix, AZ 85007

Estimated Distribution Date of April 2007 Meeting Minutes: May 1, 2007

School Finance Advisory Committee Meeting

Monday, February 12, 2007

Subject / Name	Issue	Suggestions / Resolution
Minutes Review	George Zigler noted that he should be removed from the Education Attendance Legislation subcommittee.	
Education Attendance Legislation	Jill and Ken reported the summary on what the subcommittee discovered. The subcommittee is at a stand still. Bonnie brought up the removal of the excessive absence and absence approval.	<ul style="list-style-type: none"> Bonnie will follow up and get a dollar figure on removing the absence approval. The committee decided to continue the subcommittee and proceed with removal of the absence approval process. Pat and Rita will send an estimate of their cost for absence approval process.
Excused vs. Unexcused	Jill reported that a policy process is now in place and this policy will be the first addressed. The SFAC asked to add one exception of a suspension be considered an excused absence. Phil asked that this policy be bumped to the top of the SF policy team list.	<ul style="list-style-type: none"> SF Policy team to draft policy and procedure for Excused absence.
12 vs. 10 APOR Payments	Bonnie was in contact with one of the TANs providers for Maricopa County districts. SF pays about \$250 million in August and \$200 million in November in cash advances. Treasurer's office gets about 4 – 5 % interest on the monies sitting in the coffers for August and November. The question is "should the money go to the local taxpayer or to the state coffers?" Bonnie's summary is that the state offers the cash advance as an option rather than make 12 payments to districts.	<ul style="list-style-type: none"> Bonnie will calculate how much the state gains in interest from not making district payments in August and November.
December Budget Revision – technical correction of <\$1000	Lyle was not here to report. Bonnie says she knows it went upstairs to Art Harding. This item will be postponed until next SFAC meeting.	<ul style="list-style-type: none"> If there is anything urgent on it, Jill will ask Lyle and communicate it to the committee. Phil will check to see where this is from upstairs.
Spring Cleaning	Results of April mid-month will be similar to the year end recalculation. Therefore, giving the LEAs time to review the most accurate data possibly available. Rose would like to know what business rules are being implemented into SAIS after 100 th day.	<ul style="list-style-type: none"> Teddy asked that Jill include the Spring Cleaning handout in the distribution of the minutes. Teddy will look into what business rules are being implemented into SAIS after 100th day and report to the SFAC.

School Finance Advisory Committee Meeting Monday, February 12, 2007

School Finance Beacon	<p>Phil spoke generally about his past articles referring to collaboration between LEAs and ADE. He stated that we need to be speaking the same language, so we need to agree on what is success and what are the indicators of success. Phil asked the subcommittee to think about this. Rita and Tina agreed to be on this subcommittee.</p> <p>Phil also introduced Yun Zhou, School Finance Research Analyst. He explained that she will take the models such as Education Trust, Goldwater Trust, etc. and deconstruct them so we can understand how we are being measured. She will also find out what indicators are being used and how are they assessing a value. Then the factors will fit in to one of three areas:</p> <ol style="list-style-type: none"> 1. The model is bad, it doesn't tell us anything and write a white paper to address issues. A white paper explains the results, conclusions, or construction resulting from some organized committee or research collaboration or design and development effort. 2. We are doing ok and model is ok, but data is bad. Put together project to address it. 3. Our performance is bad and we need to do something about it. Put together project to address it. <p>Phil asked for thoughts from the committee. Art Heikkila asked if Phil is headed toward demographics as well as dollars. Phil confirmed that this is the case.</p>	<ul style="list-style-type: none"> • Phil will create a presentation for the next meeting and call for the opening of a subcommittee.
Call to the Audience	<p>Prop 301 – The SFAC requested that SF post the carry forward to next year's index. Check with Bonnie on this.</p> <p>School Facilities Board Letter – Karen asked if the SFAC approved it. Jill stated that about ten positive responses were received and no negative responses. Everyone has had time to respond so she can send the letter to John with a few minor corrections that Jill will send to her.</p> <p>Record Retention for Permanent Student Records – Karen would like to know how to get the Records Retention department to recognize that electronic media is a form of record retention instead of only paper and microfiche.</p> <p>Audit - Art notified that all his auditors are currently working on the Cost Study and ADM audits will resume in June. Instructional Program/Instructional Hours Policy is on the SF Website under policies – 7th and 8th grades are of most concern to the ADE audit team.</p>	<ul style="list-style-type: none"> • Jill will invite Records Retention representative to next meeting.

School Finance Advisory Committee Meeting

Monday, February 12, 2007

Next Meeting	Monday, April 9, 2007	Arizona State Capitol Executive Tower Building 2nd Floor Conference Room 1700 West Washington Phoenix, AZ 85007
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Action Items / Commitments	
Jill Heikkila	<ul style="list-style-type: none"> Teddy asked that Jill include the Spring Cleaning handout in the distribution of the minutes. Jill will invite Records Retention representative to next meeting. If there is anything urgent on \$1000 budget revision correction, Jill will ask Lyle and communicate it to the committee.
Teddy Dumlao	<ul style="list-style-type: none"> Look into what business rules are being implemented into SAIS after 100th day and report to the SFAC. Prepare Spring Cleaning handout to be sent with February minutes to SFAC.
Phil Williams	<ul style="list-style-type: none"> Check to see where \$1000 budget limit is with Art Harding. Create a presentation for the next meeting and call for the opening of a subcommittee
Bonnie Betz	<ul style="list-style-type: none"> Follow up and get a dollar figure on removing the absence approval. Calculate how much the state gains in interest from not making district payments in August and November.
Lyle Friesen	<ul style="list-style-type: none"> Lyle will try to determine what would be equivalent to \$1000 today since the legislation with the \$1000 was written over 20 years ago. Lyle will pass this information on to Chuck Essigs. Lyle will also recommend to Art Harding.
Education Attendance Legislation Subcommittee	<ul style="list-style-type: none"> The committee decided to continue the subcommittee and proceed with removal of the absence approval process.
SF Policy Team	<ul style="list-style-type: none"> SF Policy team to draft policy and procedure for Excused absence.
Rita Leyva and Pat Beatty	<ul style="list-style-type: none"> Send an estimate of their cost for absence approval process to Jill.

School Finance Advisory Committee Meeting

Monday, February 12, 2007

Members in Attendance

Members			ADE Staff
Gary Bae	Ken Hicks	Linda Munk	Bonnie Betz
Patricia Beatty	Michele Kaye	Tina Norton	Bob Dohm
Kent DeYoung	Rita Leyva	Kerri Porter	Teddy Dumlao
Lori Garvey	Scott Little	Kevin Price	Dolores Gerritse
Angela Germinaro	Lucia Marrufo	Rose Whelihan	Art Heikkila
Mary Gifford	Karen Mejia	George Zeigler	Jill Heikkila
Karen L. Havird	Montie Morris		Phil Williams
			Yun Zhou
Special Guest: Senator John Huppenthal (Majority Whip)			

Acronyms

AASBO	Arizona Association of School Business Officials	M&O	Maintenance and Operation Fund
ADE	Arizona Department of Education	NAVIT	Northern Arizona Vocation Institute of Technology
ADM	Average Daily Membership	RTC	Regional Training Center
AFR	Annual Financial Reports	SAN	Storage Area Network
AG	Auditor General	SDAR	Student Detail Activity Report
CCD	Common Core Data	SDER	School District Employee Report
CEC	Certificate of Education Convenience	SF	School Finance
CSF	Classroom Site Fund	SFAC	School Finance Advisory Committee
EVIT	East Valley Institute of Technology	SFB	School Finance Board
IRR	Instructions for Required Reports	SMS	Student Management System
JTED	Joint Technological Education District	USFR	Uniform System of Financial Records
LEA	Local Education Agency		

ARIZONA DEPARTMENT OF EDUCATION

Tom Horne
Superintendent of
Public Instruction



School Finance
1535 West Jefferson
Phoenix, Arizona 85007
(602) 542-5695
(602) 542-9033 Fax

STATE OF ARIZONA

SCHOOL FINANCE MEMORANDUM 07-004

TO: District Superintendents and Charter School Administrators

FROM: Vicki G. Salazar, Associate Superintendent of Business and Finance

DATE: July 17, 2006

SUBJECT: Records Retention Relating to Original Student Attendance Source Documentation

Dear District/Charter Holder:

Recently, questions have arisen regarding the responsibilities of charter holders and districts relating to the retention of original student attendance source documentation entered into Student Management Systems in order to compute Average Daily Membership (ADM) on the Student Accountability Information System (SAIS). The following explains the ADE's policy on records retention of original student attendance source documentation.

Please be advised that all records regardless of physical form in pursuance of law or in connection with the transaction of public business including but not limited to, student records, teacher attendance rosters, tardy records, registrar adjustments and other related documents must be retained in original form for five years.

Pursuant to [ARS § 39-121.01](#), school districts and charter schools are public bodies required to maintain all records reasonably necessary to maintain an accurate knowledge of their official activities and of any of their activities which are supported by state monies.

[ARS § 41-1350](#) defines "records." Unless the context otherwise requires, "records" means all books, papers, maps, photographs or other documentary materials, regardless of physical form or characteristics, including prints or copies of such items produced or reproduced on film or electronic media pursuant to [ARS § 41-1348](#), made or received by any governmental agency in pursuance of law or in connection with the transaction of public business and preserved or appropriate for preservation by the agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of the government, or because of the informational and historical value of data contained therein. Library or museum material made or acquired solely for reference or exhibition purposes, extra copies of documents preserved only for convenience of reference and stocks of publications or documents intended for sale or distribution to interested persons are not included within the definition of records as used in this chapter.

[ARS § 41-1347](#) provides for the preservation of records. At a minimum, schools should have a record retention schedule that maintains the records for at least five years, or as prescribed by the State Library and Archives. ADE can also inform schools that destruction of records is a violation of [ARS § 38-421](#), and may be referred to the Attorney General's office for prosecution.

If you have any questions related to this issue please contact Phil Williams, Deputy Associate Superintendent of School Finance at (602) 542-8250 or Paul Carolan, Audit Director at (602) 542- 3281. I appreciate your assistance in this matter.